I believe that our nation's tax policy should adhere to several basic principles. First, it should be progressive; those who have benefited the most from our society should have a greater obligation to give back in return. Second, it should be as fair and efficient as possible; credits, exemptions, and other special tax benefits should be limited to activities that promote the greater good, such as home ownership and education, and not giveaways to special interests. And third, it should produce enough revenue to meet our government's budget obligations – a principle that every American family understands.

Unfortunately, years of Republican economic policy have left us instead with a tax code that favors the wealthiest over working Americans; that is riddled with loopholes and special-interest giveaways; and that has produced far less revenue than is needed to balance the budget. The tax cuts enacted under President Bush, and continued by the Republican-controlled House, alone added over \$2 trillion to our budget deficit over ten years – and the Republican Congress didn't pay for any of them! Today, the richest one percent of our population controls the same amount of wealth as the bottom 90 percent, while many profitable corporations pay no taxes at all.

I support a fairer, simpler tax code and a middle-class tax relief plan that works for working families, including the extension of marriage-penalty relief and the child tax credit, the permanent adjustment of the <u>Alternative Minimum Tax (AMT)</u>, and the expansion of the ten percent individual income tax bracket. While I support some of the tax cuts enacted by President Bush, I believe that the rate for the wealthiest earners should be allowed to revert to its 1990s levels. I also strongly support the return to "pay-as-you-go" budgeting for tax policy, which the Republican House leadership abandoned when it took control of the House in 2011, so that the tax cuts won't simply be added on to our nation's credit card.

These reforms are all the more urgent as Congress seeks to chart a course back to a balanced budget in the midst of a struggling economy. It is clear that we cannot balance the budget without meaningful reforms to our tax code -- and that significant new revenues are possible without raising taxes on working families. To that end, the President's long-term deficit reduction plan calls for simplifying the tax system to lower individual and corporate tax rates while still increasing revenue by closing certain loopholes, similar to the bipartisan tax reform effort in the mid-1980s.

As your Representative, I will continue working to simplify the tax code, provide tax relief to middle-income taxpayers and businesses that hire workers, and extend tax credits to American

companies investing in job creation and innovation. As Congress continues to debate this important issue, I hope you will keep in touch with your views.

Related Information

Find out what your taxes pay for: Get your Federal Taxpayer Receipt

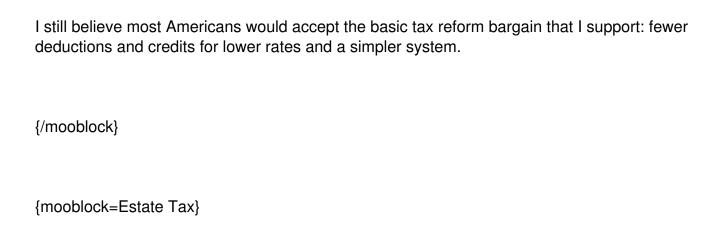
Find out if you are eligible for the EITC (Earned Income Tax Credit).

{mooblock=Fair Tax}

Our tax code is far too complex and convoluted. One proposal to simplify the code is the so-called fair tax. The Fair Tax proposal would repeal the individual income tax, the corporate income tax, all payroll taxes, the self-employment tax, and the estate and gift taxes and levy a 23% (tax-inclusive) national retail sales tax as a replacement. The tax-inclusive retail sales tax would equal 23% of the sum of the sales price of an item and the amount of the retail sales tax.

Such a proposal would be unacceptable because it would shift so much of the tax burden to the poor and middle class and would require an unacceptably high tax rate in order to be revenue neutral.

It is worth noting that former President Bush's Advisory Panel on Tax Reform, which was appointed in January 2005 to develop a proposal for simplifying the federal tax code, agrees with this conclusion. The panel's final report, which was released on November 1, 2005, rejected the idea of a national sales tax on the grounds that it would require a tax rate of at least 34 percent to remain revenue-neutral, would be too burdensome for lower- and middle-income Americans, would create new incentives for tax evasion, and would do very little to reduce the administrative burden of tax collection. Most mainstream economists share the panel's assessment.



Under current law, the <u>federal estate tax</u> exempts the value of an estate below \$5 million (\$10 million for joint filers) and also allows an unlimited deduction for transfers to a surviving spouse and to charity. You may be interested to know that in recent years less than one quarter of one percent of estates owed any federal estate tax at all, according to the Urban Institute-Brookings Tax Policy Center.

I do not support a complete repeal of the estate tax because it would benefit only the most affluent Americans and leave many middle class families paying more in taxes, not less. A full repeal of the estate tax would cost almost \$1.3 trillion in lost revenue in the first ten years alone, a figure larger than our entire federal discretionary spending levels, including military expenditures. This loss of revenue would force us to increase other taxes, impose draconian spending cuts, or incur additional debt.

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